

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

IN RE:

GREAT LAKES AG, LLC,

Debtor.

Case No. 10-09519-AJM-11

(Chapter 11)

Hon. Anthony J. Metz

**STIPULATION RESOLVING MOTION OF PNCEF, LLC
FOR RELIEF FROM STAY AND FOR ADEQUATE PROTECTION AND
AUTHORIZING USE OF CASH COLLATERAL**

Great Lakes AG, LLC ("Debtor"), by its attorneys, Tucker Hester, LLC, and PNCEF, LLC, formerly known as National City Commercial Capital Company, LLC ("PNCEF"), by its attorneys, Plunkett Cooney, stipulate and agree as follows:

1. Debtor filed a petition for relief under Chapter 11 of the Bankruptcy Code on June 24, 2010 ("Petition Date"). Debtor is a Michigan limited liability company.
2. On or about August 11, 2010, PNCEF filed a Motion for Relief from Stay ("Motion").
3. On or about September 12, 2007, PNCEF and Debtor entered into a Master Lease Agreement, as amended and supplemented ("Lease"), in regard to certain equipment. A copy of the Lease is attached as Exhibit A to the Motion. The equipment and other property described in and covered under the Lease (and as further described in the financing statements attached as Exhibit B to the Motion) are referred to as the "Equipment."
4. Financing statements have been filed with the Michigan Secretary of State as a precaution if the transactions are deemed to be transactions other than a lease. Copies of the financing statements dated September 17, 2007, October 22, 2007, November 6, 2007, November 19, 2007, December 31, 2007, March 26, 2008, May 8, 2008, May 27, 2008, and July 3, 2008, are attached as Exhibit B to the Motion.

5. Debtor was in default under the Lease as it failed to remit to PNCEF lease payments totaling \$889,208.04 by February 18, 2010.

6. On or about March 4, 2010, PNCEF filed a Complaint in the Lenawee County (Michigan) Circuit Court against Debtor, Willy van Bakel, Dirk Z. Maat, and Vreba-Hoff Dairy Development, L.L.C for a money judgment and possession of the Equipment. A copy of the Complaint, without exhibits, is attached as Exhibit C to the Motion.

7. On or about March 12, 2010, Debtor, PNCEF, Willy van Bakel, Dirk Z. Maat, and Vreba-Hoff Dairy Development, L.L.C. entered into a Settlement Agreement. A copy of the Settlement Agreement is attached as Exhibit D to the Motion.

8. Debtor was in default under the Settlement Agreement.

9. Pursuant to the Settlement Agreement, PNCEF obtained entry on June 1, 2010 of a Consent Judgment against Debtor, Willy van Bakel, Dirk Z. Maat, and Vreba-Hoff Dairy Development, L.L.C. The Judgment was final and non-appealable on June 22, 2010, prior to the Petition Date. A copy of the Judgment is attached as Exhibit F to the Motion.

10. As of the Petition Date, not less than \$4,245,344.24 was owing under the Judgment.

11. The Lease was terminated pre-petition.

12. To the extent that the transactions are deemed to be transactions other than a lease, PNCEF is the holder of a valid, properly perfected security interest, indefeasible in Bankruptcy, in the Equipment, and all replacements, substitutions, attachments, accessions, upgrades, parts, and additions of the foregoing, and all proceeds of the foregoing.

13. As a condition to the continued use and retention of the Equipment by Debtor, the following rights and interest are granted by Debtor to PNCEF as adequate protection:

(a) To the extent that the transactions are deemed to be transactions other than a lease, the security interest of PNCEF in the Equipment in which it maintained a security interest as of the Petition Date is continued.

(b) On August 25, 2010, September 15, 2010, October 15, 2010, November 15, 2010 and December 15, 2010, Debtor shall pay directly to PNCEF the sum of \$20,000.00, which shall be applied by PNCEF to the Judgment.

(c) The payments resulting from Debtor's lease of Equipment, which shall include without limitation, the central pivot irrigation system, to Vreba-Hoff Dairy, L.L.C. or any other party, constitute PNCEF's cash collateral and shall be paid over to PNCEF upon Debtor's receipt, in addition to any other payments contemplated by this Stipulation.

(d) Debtor shall maintain "all risk" or broad form property insurance on the Equipment, and comprehensive general liability insurance, in amounts satisfactory to PNCEF, and designate PNCEF as loss payee and additional insured. Debtor shall provide evidence of such insurance to PNCEF on request. Debtor agrees to transmit to PNCEF any notices received by it from such insurance carriers immediately upon receipt.

(e) Debtor shall maintain, service and repair the Equipment, including any necessary winterization, so as to keep it in good operating condition as it was when it first became subject to the Lease, ordinary wear and tear excepted.

14. PNCEF, through its agents and employees, shall have access during Debtor's business hours to Debtor's financial records, including, but not limited to, accounts receivable and accounts payable records, and to Debtor's business headquarters and the farm property in Hudson, Michigan for the purposes of inspecting, evaluating and appraising the Equipment. This access shall also be given to any appraiser or consultant that PNCEF may hire.

15. Debtor agrees that it shall neither move nor sell any of the Equipment without the express written consent of PNCEF.

16. No costs or expenses of administration or any other costs in connection with this case shall be assessed or attributed to PNCEF pursuant to the provisions of Section 506(c) of the Bankruptcy Code, or otherwise, except with PNCEF's prior written consent or after notice to PNCEF and a hearing.

17. This Stipulation shall not prevent PNCEF from seeking relief from the automatic stay imposed by Section 362 of the Bankruptcy Code and other remedies at a later time. The provision for adequate protection contained in this Stipulation shall not prevent PNCEF from seeking additional and different adequate protection in the future. Any plan of reorganization filed by the Debtor shall provide treatment of PNCEF which is not less favorable than the provisions of this Stipulation. Except as otherwise specifically provided in this Stipulation, neither PNCEF nor the Debtor waives any rights and shall retain all rights available pursuant to the Bankruptcy Code or any other applicable law.

18. Debtor's right to use cash collateral under this Stipulation shall continue until the earlier of (a) the confirmation of a plan in this Chapter 11 case; (b) appointment of a Chapter 11 trustee; (c) conversion of this case to one under Chapter 7; or (d) December 31, 2010, unless extended by Court order, or consent of the parties.

19. Each of the following events shall constitute an event of default hereunder:

(a) If an order is entered dismissing this case, converting this case to one under Chapter 7, appointing a trustee, whether under Chapter 11 or Chapter 7, or terminating the authority of the Debtor to conduct business.

(b) If the Debtor violates any provision of this Stipulation, any order of the Court, or the Lease as modified herein.

(c) If Debtor fails to pay the Judgment in full on or before December 31, 2010.

20. In the event of any default under this Stipulation which is not cured by the Debtor within ten (10) days of written notice of the default, the Court shall enter an order granting PNCEF relief from stay which allows PNCEF to pursue its state law remedies. Such order shall

be entered upon the filing of an affidavit of default by PNCEF's counsel for the failure to timely cure the default.

PLUNKETT COONEY
Attorneys for PNCEF, LLC

Dated: August 23, 2010

By: /s/ Brandt N. Hardy
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TUCKER HESTER, LLC
Attorneys for Debtor

Dated: August 23, 2010

By: /s/ Jeffrey M. Hester
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CERTIFICATE OF SERVICE

I hereby certify that on August 26, 2010, a copy of this document was served by the Court's electronic filing system to the following parties or counsel of record, as well as any other parties or counsel of record in this matter:

Jeffrey M. Hester
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Joseph F. McGonigal
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KC Cohen
kc@esoft-legal.com

I further certify that on August 26, 2010, a copy of this document was served by regular first-class mail, postage prepaid, to the following parties at their respective addresses:

Great Lakes AG, LLC
1290 N. Shoop Avenue, Suite 140
Wauseon, OH 43567

Vreba Hoff Dairy Development
1290 N. Shoop Ave., Suite 140
Wauseon, OH 43567

Crop Production Services/
Saline Farm Cen
9325 W. Michigan Avenue
Saline, MI 48176

Internal Revenue Service
P.O. Box 21126
Philadelphia, PA 19114

Briskey Brothers Construction, Inc.
8360 N. Adrian Highway
P.O. Box 426
Tecumseh, MI 49286

Midwest Ag Investments, LLC
1290 N. Shoop Ave., Suite 140
Wauseon, OH 43567

Homier & Sons, Inc.
119 N. Hyman Street
P.O. Box 429
Payne, OH 45880

Crop 1 Insurance Co.
5400 University Avenue
West Des Moines, IA 50266

K & L Tractor Sales, Inc.
1737 ST RT 49
Fort Recovery, OH 45846

Manders Equipment, LLC
11190 Range Line Road
Weston, OH 43569

Crop Production Services/ Morceni
209 E. Coomer Street
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3993 E. Royalton Road
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Shrader Tire & Oil, Inc.
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P.O. Box 5407
Toledo, OH 43613

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/s/ Brandt N. Hardy

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